

STAND. COM. REP. NO. 2178

Honolulu, Hawaii

FEB 11 2014

RE: S.B. No. 3042
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committees on Commerce and Consumer Protection and Public Safety, Intergovernmental and Military Affairs, to which was referred S.B. No. 3042 entitled:

"A BILL FOR AN ACT RELATING TO LIQUOR LICENSE CLASSES,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Remove the requirement that a class 14 brewpub licensee manufacture not more than thirty thousand barrels of malt beverages on the licensee's premises during the license year; and
- (2) Establish a new class 18 liquor license class for small craft producer pubs.

Your Committees received testimony in support of this measure from Maui Brewing Co. Your Committees received comments on this measure from the City and County of Honolulu Liquor Commission, Southern Wine & Spirits of Hawaii, and Hawaii Liquor Wholesalers Association.

Your Committees find that this measure eliminates the thirty thousand barrel production cap for a class 14 brewpub licensee. Your Committees note that the Brewers Association defines a small brewer as one with an annual production of six million barrels or less; therefore the existing thirty thousand barrel limit was unnecessarily restrictive.



Your Committees further find that class 14 brewpub licensees under existing law and class 18 small craft producer pub licensees proposed by this measure are able to purchase liquor directly from other manufacturers. Your Committees have heard the concerns that this creates an unfair competitive advantage over certain other liquor license classes who must purchase liquor only from licensed wholesalers. Amendments to this measure addressing this issue are therefore necessary.

Your Committees additionally find that the class 18 license class proposed by this measure has a production limit of twenty thousand barrels of wine. Your Committees note that this limit is double the production limit for a class 16 winery license. Amendments to this measure are therefore necessary to eliminate this inconsistency.

Accordingly, your Committees have amended this measure by:

- (1) Specifying that a class 14 brewpub licensee and a class 18 small craft producer pub licensee may sell intoxicating liquor purchased from a wholesale dealer licensee, rather than from manufacturer and wholesale dealer licensees;
- (2) Clarifying that a class 18 small craft producer pub licensee shall manufacture no more than ten thousand barrels of wine in a license year; and
- (3) Making a technical, nonsubstantive amendment to correct a formatting error.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3042, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3042, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Commerce and
Consumer Protection and Public
Safety, Intergovernmental and
Military Affairs,

Will Espero

WILL ESPERO, Chair


Rosalyn H. Baker

ROSALYN H. BAKER, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 3042</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPN/PSM, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/7/14</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
NISHIHARA, Clarence K.	✓			
WAKAI, Glenn	✓			
SLOM, Sam	✓			
TOTAL	5	0	0	0
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-left: 50px;">  </div>				
Distribution: <div style="display: flex; justify-content: space-between; font-size: 0.8em; margin-top: 5px;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

*Only one measure per Record of Votes

The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Public Safety and Military Affairs
PSM

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 3042</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPN/PSM, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/6/14</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
ESPERO, Will (C)	✓			
BAKER, Rosalyn H. (VC)	✓			
GALUTERIA, Brickwood	✓			
GREEN, M.D., Josh				✓
SLOM, Sam				✓
TOTAL	3	-	-	2
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-top: 10px;">Rosalyn H. Baker</div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: 0.7em; margin-top: 2px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

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